

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for the general capital fund projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2013</u>	<u>2012</u>
Issued		
General		
Bonds, Notes and Loans	\$ 21,555,560	\$ 21,963,124
Less Funds Temporarily Held to		
Pay Bonds and Notes	<u>267,571</u>	<u>145,205</u>
	21,287,989	21,817,919
Authorized But Not Issued		
General		
Bonds and Notes	<u>1,305,857</u>	<u>1,048,983</u>
Net Bonds and Notes Issued and Authorized		
But Not Issued	<u>\$ 22,593,846</u>	<u>\$ 22,866,902</u>

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 1.12% and 1.08% at December 31, 2013 and 2012, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
General Debt	\$ 22,861,417	\$ 1,152,071	\$ 21,709,346
School Debt	<u>16,396,464</u>	<u>16,396,464</u>	<u>-</u>
Total	<u>\$ 39,257,881</u>	<u>\$ 17,548,535</u>	<u>\$ 21,709,346</u>
<u>2012</u>			
General Debt	\$ 23,012,107	\$ 1,061,205	\$ 21,950,902
School Debt	<u>17,485,000</u>	<u>17,485,000</u>	<u>-</u>
Total	<u>\$ 40,497,107</u>	<u>\$ 18,546,205</u>	<u>\$ 21,950,902</u>

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Borrowing Power**

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2013</u>	<u>2012</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 67,783,872	\$ 70,914,227
Net Debt	<u>21,709,346</u>	<u>21,950,902</u>
Remaining Borrowing Power	<u>\$ 46,074,526</u>	<u>\$ 48,963,325</u>

**A. Long-Term Debt**

The Borough's long-term debt consisted of the following at December 31:

**General Obligation Bonds**

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2013</u>	<u>2012</u>
\$2,973,000, 1999 Bonds, due in an annual installment of \$403,000 through February 13, 2013, interest at 5.05%		\$ 403,000
\$3,250,000, 2003 Bonds, due in annual installments of \$580,000 to \$610,000 through May 1, 2016, interest at 3.25% - 3.55%	\$ 1,790,000	1,950,000
\$8,530,000, 2010 Bonds, due in annual installments of \$100,000 to \$1,095,000 through July, 2025, interest at 1.5% - 4.0%	<u>8,230,000</u>	<u>8,330,000</u>
	<u>\$ 10,020,000</u>	<u>\$ 10,683,000</u>

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Intergovernmental Loans Payable**

The Borough has entered into loan agreements with the New Jersey Green Trust and the Environmental Infrastructure Trust Funds. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. Intergovernmental loans outstanding at December 31 are as follows:

	<u>2013</u>	<u>2012</u>
<b>Green Trust Fund</b>		
\$200,000, Bonds, due in semi-annual installments of \$4,660 to \$6,157 through 2028, interest at 2%	\$ 155,867	\$ 165,048
Total Green Trust Fund	<u>155,867</u>	<u>165,048</u>
 <b>Environmental Infrastructure Trust</b>		
\$1,675,000 Trust Loan, due in annual installments of \$70,000 to \$125,000 through 2027, interest at 3.4% to 5.0%	1,355,000	1,425,000
\$1,572,000 Fund Loan, due in semi-annual installments of \$1,681 to \$80,765 through 2027 interest free	1,173,836	1,258,540
\$965,000 Trust Loan, due in annual installments of \$40,000 to \$70,000 through 2029, interest at 3.5% to 5.0%	860,000	895,000
\$2,850,000 Fund Loan, due in semi-annual installments of \$50,893 and \$101,786 through 2029, interest free	<u>2,442,857</u>	<u>2,595,536</u>
Total Environmental Infrastructure Trust	<u>5,831,693</u>	<u>6,174,076</u>
Total Intergovernmental Loans	<u>\$ 5,987,560</u>	<u>\$ 6,339,124</u>

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2013 is as follows:

Calendar Year	General Bonds		Intergovernmental Loans					
	Principal	Interest	Environmental Infrastructure		Green Trust		Total	
			Principal	Interest	Principal	Interest		
2014	\$ 680,000	\$ 313,943	\$ 345,833	\$ 97,608	\$ 9,366	\$ 3,071	\$	1,449,821
2015	700,000	291,805	352,402	93,088	9,554	2,882		1,449,731
2016	710,000	268,628	358,193	87,338	9,746	2,690		1,436,595
2017	750,000	255,800	360,663	81,338	9,942	2,494		1,460,237
2018	775,000	238,925	366,295	75,088	10,142	2,295		1,467,745
2019-2023	4,235,000	854,400	1,941,507	281,440	53,851	8,333		7,374,531
2024-2028	2,170,000	130,600	1,884,128	105,177	53,266	2,698		4,345,869
2029	-	-	222,672	2,800	-	-		225,472
Total	\$ 10,020,000	\$ 2,354,101	\$ 5,831,693	\$ 823,877	\$ 155,867	\$ 24,463	\$	19,210,001

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2013 and 2012 were as follows:

	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within One Year
<u>2013</u>					
General Capital Fund					
Bonds Payable	\$ 10,683,000		\$ 663,000	\$ 10,020,000	\$ 680,000
Intergovernmental Loans Payable	6,339,124	\$ -	351,564	5,987,560	355,199
General Capital Fund Long-Term Liabilities	<u>\$ 17,022,124</u>	<u>\$ -</u>	<u>\$ 1,014,564</u>	<u>\$ 16,007,560</u>	<u>\$ 1,035,199</u>
	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2012</u>	Due Within One Year
<u>2012</u>					
General Capital Fund					
Bonds Payable	\$ 11,323,000		\$ 640,000	\$ 10,683,000	\$ 663,000
Intergovernmental Loans Payable	6,683,743	\$ -	344,619	6,339,124	351,564
General Capital Fund Long-Term Liabilities	<u>\$ 18,006,743</u>	<u>\$ -</u>	<u>\$ 984,619</u>	<u>\$ 17,022,124</u>	<u>\$ 1,014,564</u>

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Pension Obligation Lease Agreement**

The Borough previously entered into an agreement with the Bergen County Improvement Authority ("BCIA") for the retirement of the Borough's outstanding unfunded pension liability for the early retirement incentive program of 2003. The original amount financed totaled \$958,000. The Borough issued refunding revenue bonds totaling \$882,000 through the BCIA during 2012. The following is the schedule of the future minimum lease payments and the present value of the net minimum lease payment at December 31, 2013:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2014	74,943
2015	79,521
2016	84,861
2017	89,864
2018	95,442
2019-2023	<u>580,386</u>
Total Minimum Lease Payments	1,005,017
Less: Amounts Representing Interest	<u>137,017</u>
Present Value of Net Minimum Lease Payments	<u>\$ 868,000</u>

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

**Bond Anticipation Notes**

The Borough's short-term capital debt activity (bond anticipation notes) for the years ended December 31, 2013 and 2012 was as follows:

Ord. No.	Improvement Description	Interest Rate	Date of Maturity	Balance, December 31, 2012	Increased	Decreased	Balance, December 31, 2013
1323	Reconstruction of Pershing	1.20%	6/27/2013	\$ 124,000		\$ 124,000	
		1.00%	6/25/2014		\$ 90,110		\$ 90,110
1375/1407	Stormwater Sewer System Improvements	1.00%	6/25/2014		368,005		368,005
1393	Various General Improvements	1.20%	6/27/2013	731,100		731,100	
		1.00%	6/25/2014		695,385		695,385
1409	Library and Senior Center Handicap	1.20%	6/27/2013	73,291		73,291	
		1.00%	6/25/2014		73,291		73,291
1416	Park Improvements	1.20%	6/27/2013	174,800		174,800	
		1.00%	6/25/2014		174,800		174,800
1421	Various Capital Improvements	1.20%	6/27/2013	807,500	-	807,500	
		1.00%	6/25/2014		807,500		807,500
1431	DPW Garage Site Improvements	1.20%	6/27/2013	228,000	-	228,000	
		1.00%	6/25/2014		228,000		228,000
1432	Storm Sewer Improvements - Phase III	1.20%	6/27/2013	218,500	-	218,500	
		1.00%	6/25/2014		218,500		218,500
1434	Various Capital Improvements	1.20%	6/27/2013	414,284	-	414,284	
		1.00%	6/25/2014		414,284		414,284
1436	Various Storm Water Sewer Improvements	1.20%	6/27/2013	114,000	-	114,000	
		1.00%	6/25/2014		114,000		114,000
1438	Various Improvements - Twin Boro Field	1.20%	6/27/2013	1,139,525		1,139,525	
		1.00%	6/25/2014		1,139,525		1,139,525
1447	Installation of New Walking Path	1.00%	6/25/2014		152,000		152,000
1448	Improvements to DePew Street	1.00%	6/25/2014		142,850		142,850
1450	Acq. And Installation of AiR Quality Equip.	1.00%	6/25/2014	-	61,750	-	61,750
				<u>\$ 4,025,000</u>	<u>\$ 4,680,000</u>	<u>\$ 4,025,000</u>	<u>\$ 4,680,000</u>

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance, December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2012</u>
1323	Reconstruction of Pershing	1.50%	6/29/2012	\$ 150,000		\$ 150,000	
		1.20%	6/27/2013		\$ 124,000		\$ 124,000
1393	Various General Improvements	1.50%	6/29/2012	760,000		760,000	
		1.20%	6/27/2013		731,100		731,100
1409	Library and Senior Center Handicap	1.50%	6/29/2012	213,750		213,750	
		1.20%	6/27/2013		73,291		73,291
1416	Park Improvements	1.50%	6/29/2012	174,800		174,800	
		1.20%	6/27/2013		174,800		174,800
1421	Various Capital Improvements	1.50%	6/29/2012	801,450	-	801,450	
		1.20%	6/27/2013		807,500		807,500
1431	DPW Garage Site Improvements	1.20%	6/27/2013		228,000		228,000
1432	Storm Sewer Improvements - Phase III	1.20%	6/27/2013		218,500		218,500
1434	Various Capital Improvements	1.20%	6/27/2013		414,284		414,284
1436	Various Storm Water Sewer Improvements	1.20%	6/27/2013		114,000		114,000
1438	Various Improvements - Twin Boro Field	1.20%	6/27/2013	-	1,139,525	-	1,139,525
				<u>\$ 2,100,000</u>	<u>\$ 4,025,000</u>	<u>\$ 2,100,000</u>	<u>\$ 4,025,000</u>

The purpose of these short-time borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law (NJSA 40A:2 et. Seq). The amounts issued for governmental activities are accounted for in the General Capital Fund.

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

In addition to the debt shown in the above schedule, municipalities may issue debt to meet cash flow needs to temporarily finance operating expenditures. This debt which is not included in the Borough's regulatory debt limit calculation is reported in the Current Fund for the years 2013 and 2012 as follows:

**Special Emergency Notes**

Following the adoption of an ordinance or resolution for special emergency appropriations (reassessment of real property), the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

	<u>Date of Maturity</u>	<u>Balance, December 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2013</u>
<u>2013</u>					
Reassessment of Local Property	12/18/2013	\$ 200,000		\$ 200,000	
	12/16/2014	-	\$ 150,000	-	\$ 150,000
		<u>\$ 200,000</u>	<u>\$ 150,000</u>	<u>\$ 200,000</u>	<u>\$ 150,000</u>
	<u>Date of Maturity</u>	<u>Balance, December 31, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2012</u>
<u>2012</u>					
Reassessment of Local Property	12/28/2012	\$ 250,000		\$ 250,000	
	12/18/2013	-	\$ 200,000	-	\$ 200,000
		<u>\$ 250,000</u>	<u>\$ 200,000</u>	<u>\$ 250,000</u>	<u>\$ 200,000</u>



**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

	<u>Commitment</u>	<u>Estimated Date of Completion</u>
<u>2013</u>		
Storm Sewer/Drainage Improvements	\$ 57,134	2014
Improvements to Veteran's Memorial Park and Other Parks and Fields	121,049	2014
Improvements to Twin Boro Field Remediation	28,575	2014
 Improvements to DePew Street	 28,000	 2013
Improvements to Memorial Park Concession Hut	28,693	2013
Improvements to Twin Boro Field Remediation	57,500	2013

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

Under the existing policies and labor agreements of the Borough, employees are allowed to accrue unused vacation benefits, personal, sick leave which may be taken as time off or paid upon retirement at an agreed upon rate.

It is estimated that the current cost of such unpaid compensation and salary related payments would be approximately \$3,400,890 and \$3,332,300 at December 31, 2013 and 2012, respectively. These amounts which are considered material to the financial statements are not reported either as an expenditure or liability.

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

**Police and Firemen's Retirement System (PFRS)** -- established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

**BOROUGH OF DUMONT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP.

**Other Pension Funds**

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

**Other Pension Funds (Continued)**

The cost of living increase for PERS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**BOROUGH OF DUMONT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Significant Legislation**

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65. The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2013, the PERS member contribution rates was 6.64%. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 billion, respectively.

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Funded Status and Funding Progress (Continued)**

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2012, actuarial valuation, the date of the most recent actuarial valuations, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for pension trust funds. The actuarial assumptions included: (a) 7.90% for investment rate of return for all the retirement systems and (b) changes to projected salary increases which vary by fund.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% plus an additional 1% phased-in over 7 years beginning in July 2012 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.64% in fiscal year 2013.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the fiscal year ended June 30, 2013 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2013, 2012 and 2011, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year:

<u>Year Ending</u> <u>December 31,</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2013	\$ 943,025	\$ 396,683	\$ 810
2012	850,076	382,729	713
2011	876,940	354,444	

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as a Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 585 state and local participating employers and contributing entities for Fiscal Year 2013.

The State of New Jersey sponsors and administers the following health benefit program covering substantially all local government employees from local participating employers.

**Health Benefits Program Fund (HBPF) – Local Government** (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via, the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011 the 4-year phase in does not apply, and contributions based on the full percentage rate of contributions are required.

**BOROUGH OF DUMONT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.3 billion for state active and retired members and \$32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2012 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**Post-Retirement Medical Benefits Contribution**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$139.8 million for 9,404 eligible retired members for Fiscal Year 2013. This benefit covers the Police and Firemen's Retirement System.

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution (Continued)**

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$38 million in Fiscal Year 2013 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2013, 2012 and 2011 were \$299,005, \$268,609 and \$296,149, respectively, which equaled the required contribution. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2013, 2012 and 2011 were \$3,902, \$1,869 and \$3,209, respectively.

**NOTE 14 RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Dumont is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The BJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

**BOROUGH OF DUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 14 RISK MANAGEMENT (Continued)**

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's Unemployment Compensation Trust Fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2013	\$ 22,000	\$ 9,794	\$ 24,395	\$ 57,348
2012	27,000	9,657	23,928	49,906
2011	27,000	9,616	28,106	37,144

**NOTE 15 CONTINGENT LIABILITIES**

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In 2009, the Borough settled a lawsuit with a former employee for \$530,000. The Borough's uninsured exposure as negotiated with the Bergen Municipal Excess Liability Fund (the "MEL") was \$165,000. This settlement is payable to the MEL over six years with a \$30,000 payment due in 2011 and annual payments of \$27,000 due in 2012 through 2015.

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2013 and 2012. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2013 and 2012, the Borough reserved \$138,751 and \$93,266, respectively, in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2013 and 2012, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2013 and 2012, the Borough had not calculated its arbitrage earnings due to the IRS, if any.



**BOROUGH OF DUMONT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED**

The Borough of Dumont Length of Service Award Program (the Plan) was created by a Borough ordinance pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Dumont approved the adoption of the Plan at the general election held on November 2, 2001.

The first year of eligibility for entrance into the Plan was calendar year 2002. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Dumont has contributed \$46,800 and \$47,400 for 2013 and 2012, respectively, for eligible volunteer fire department and ambulance corp. members into the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries. All earnings, dividends and other distributions of the account shall be automatically reinvested.

Lincoln Financial Group is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

**Vesting and Benefits**

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**Reporting Requirements**

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

**{THIS PAGE INTENTIONALLY LEFT BLANK}**

**CURRENT FUND**



**BOROUGH OF DUMONT**  
**STATEMENT OF CASH AND INVESTMENTS - COLLECTOR-TREASURER**

Balance, December 31, 2012 \$ 3,348,707

Increased by Receipts:

Taxes Receivable	\$ 54,552,073	
Revenue Accounts Receivable	2,327,419	
Non Budget Revenue	387,991	
Prepaid Taxes	145,813	
Receipts from General Capital Fund	75,051	
Receipts from Other Trust Fund	22	
Receipts from Animal Control Fund	3,488	
Unappropriated Reserves for Grants	54,789	
Miscellaneous Reserves	855,049	
Tax Overpayments	19,767	
Senior Citizens' and Veterans' Deductions	191,137	
Receipts from Library	383,669	
Receipts from Public Assistance Trust Fund	1	
Petty Cash	<u>300</u>	
		<u>58,996,569</u>
		62,345,276

Decreased by Disbursements:

2013 Appropriations	18,673,133	
2012 Appropriation Reserves	243,002	
Encumbrances Payable	662,864	
Accounts Payable	722	
Tax Overpayments	12,446	
County Taxes	4,407,266	
Local District School Taxes	33,738,464	
Special Emergency Note	50,000	
Appropriated Grant Reserves	25,479	
Miscellaneous Reserves	926,937	
Payments to Library	402,143	
Payments to General Capital Fund	171,388	
Payments to Unemployment Insurance Trust Fund	22,000	
Petty Cash	<u>300</u>	
		<u>59,336,144</u>

Balance, December 31, 2013 \$ 3,009,132

**BOROUGH OF DUMONT  
STATEMENT OF PETTY CASH FUNDS**

<u>Office</u>	Petty Cash <u>Advance</u>	Petty Cash <u>Returned</u>	Balance, December 31, <u>2013</u>
Tax Collector - Treasurer	\$ 300	\$ 300	\$ -
	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ -</u>

EXHIBIT A-6

**STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, December 31, <u>2012</u>	Balance, December 31, <u>2013</u>
Tax Collector - Treasurer	\$ 250	\$ 250
	<u>\$ 250</u>	<u>\$ 250</u>

EXHIBIT A-7

**STATEMENT OF DUE TO STATE OF NEW JERSEY  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2012		\$ 691
Increased by:		
Deductions Disallowed by Tax Collector	\$ 2,747	
Cash Receipts	<u>191,137</u>	
		<u>193,884</u>
		194,575
Decreased by:		
Deductions Allowed by Tax Collector	2,000	
Senior Citizens' and Veterans' Deductions Per Tax Billing	<u>190,500</u>	
		<u>192,500</u>
Balance, December 31, 2013		<u>\$ 2,075</u>

**BOROUGH OF DUMONT**  
**STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, December 31, 2012	2013 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	2012 Collections	2013 Collections	Veterans' Deductions Allowed	Taxes Cancelled or Remitted or Abated	Transferred to Tax Title Lien	Balance, December 31, 2013
2011	\$ 2,676									\$ 2,676
2012	568,198					\$ 557,666				10,532
2012	-	\$ 54,877,904	\$ 15,080	\$ 2,747	\$ 174,881	\$ 53,994,407	\$ 192,500	\$ 43,366	\$ 682	489,895
	\$ 570,874	\$ 54,877,904	\$ 15,080	\$ 2,747	\$ 174,881	\$ 54,552,073	\$ 192,500	\$ 43,366	\$ 682	\$ 503,103

Analysis of 2013 Property Tax Levy

<b>TAX YIELD</b>										
General Property Tax										
Real Property Tax										
Added Taxes (54:4-63.1 et seq.)										
						\$ 54,877,904				
						15,080				
										\$ 54,892,984
<b>TAX LEVY</b>										
Local School Tax (Abstract)										
County Taxes (Abstract)						\$ 33,738,464				
County Open Space (Abstract)					\$ 4,358,793					
Due County for Added Taxes (54:4-63.1)					48,031					
					1,212					
						4,408,036				
Local Tax for Municipal Purposes										
Local Tax - Free Public Library					16,076,060					
Add Additional Tax Levied					640,127					
					30,297					
						16,746,484				
										\$ 54,892,984

**BOROUGH OF DUMONT  
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2012	\$ 4,331
Increased by:	
Transferred from Taxes Receivable	<u>682</u>
Balance, December 31, 2013	<u>\$ 5,013</u>

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)**

Balance, December 31, 2012	<u>\$ 79,526</u>
Balance, December 31, 2013	<u>\$ 79,526</u>



**BOROUGH OF DUMONT**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2012</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2013</u>
Licenses				
Alcoholic Beverages		\$ 14,488	\$ 14,488	
Board of Health		186	186	
Borough Clerk		6,073	6,073	
Fees and Permits				
Construction Code Official		177,557	177,557	
Recreation Fees		46,954	46,954	
Board of Health		20,234	20,234	
Borough Clerk		14,070	14,070	
Fire Prevention		14,225	14,225	
Planning and Zoning		2,000	2,000	
Police		2,311	2,311	
Construction Code		1,710	1,710	
Fines and Costs - Municipal Court	\$ 14,135	168,372	168,679	\$ 13,828
Interest and Cost on Taxes		95,238	95,238	
Interest on Investments and Deposits		15,065	15,065	
Consolidated Municipal Property Tax Relief		126,301	126,301	
Energy Receipts Tax		1,228,951	1,228,951	
Life Hazard Use Fees		11,543	11,543	
Fire Inspections - Additional		27,700	27,700	
Sale of Recyclables		103,825	103,825	
PILOT - Senior Citizens Club		32,366	32,366	
Cable Television Franchise Fees	-	217,943	217,943	-
	<u>\$ 14,135</u>	<u>\$ 2,327,112</u>	<u>\$ 2,327,419</u>	<u>\$ 13,828</u>

**BOROUGH OF DUMONT**  
**STATEMENT OF DEFERRED CHARGES**  
**N.J.S. 40A:4-53 SPECIAL EMERGENCY AUTHORIZATIONS**

<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, December 31, <u>2012</u>	Budget <u>Appropriation</u>	Balance, December 31, <u>2013</u>
Reassessment of Real Property	\$ 250,000	\$ 50,000	\$ 200,000	\$ 50,000	\$ 150,000

EXHIBIT A-13

**STATEMENT OF DEFERRED CHARGES**

	Balance, December 31, <u>2012</u>	Increase in 2013	Budget <u>Appropriation</u>	<u>Cancelled</u>	Balance, December 31, <u>2013</u>
Overexpenditure of Budget Appropriation	\$ 4,728		\$ 4,728		
Emergency Appropriations	-	\$ 130,000	-	\$ 30,000	\$ 100,000
	<u>\$ 4,728</u>	<u>\$ 130,000</u>	<u>\$ 4,728</u>	<u>\$ 30,000</u>	<u>\$ 100,000</u>

EXHIBIT A-14

**STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2012</u>	<u>Cancelled</u>	Balance, December 31, <u>2013</u>
Improvements To Veteran's Plaza	\$ 53,164	\$ 53,164	\$ -
	<u>\$ 53,164</u>	<u>\$ 53,164</u>	<u>\$ -</u>

**BOROUGH OF DUMONT**  
**STATEMENT OF 2012 APPROPRIATION RESERVES**

	Balance December 31, 2012	Budget After Transfer or Modification	Paid or Charged	Transferred to Appropriated Grant Reserve	Balance Lapsed
Salaries and Wages					
General Administration	\$ 1,000	\$ 5,656	\$ 4,656		\$ 1,000
Ethics Board	90	-			-
Assessment of Taxes	3	-			-
Rent Leveling Board	90	-			-
Fire					
Life Hazard Use Fees	610	-			-
Police	60,073	60,073	\$ 50,000		10,073
Streets and Roads	5,408	44,954	35,000		9,954
Public Buildings and Grounds	1,927	-			-
Public Assistance	265	-			-
Senior Citizens	204	-			-
Parks and Playgrounds	3,542	2,542			2,542
Uniform Construction Code Officials	821	821	-	-	821
	<u>74,033</u>	<u>114,046</u>	<u>89,656</u>	<u>-</u>	<u>24,390</u>
Other Expenses					
General Administration		-			
Other Expenses	24,253	15,613			15,613
Postage	3,376	-			-
Ethics Board	616	-			-
Elections	23	-			-
Financial Administration	63,873	63,873	50,100		13,773
Assessment of Taxes	1,692	1,692			1,692
Collection of Taxes	4,030	4,030	924		3,106
Legal Services and Costs					
Borough Attorney - Other Expenses	20,217	15,217	10,632		4,585
Special Council		5,000	5,000		-
Engineering	11,409	11,409	2,273		9,136
Planning Board/Zoning Board	3,355	1,355	146		1,209
Rent Leveling Board	2,185	112	112		-
Fire					
Other Expenses	1,643	6,643	598		6,045
Life Hazard Use Fees	221	-			-
Fire Hydrant Services	17	-			-
Police					
Other Expenses		26,672			26,672
Police Reserve - Other Expenses		2,500			2,500
Streets and Roads	8,963	13,810			13,810
Garbage and Trash Removal	30,496	33,206			33,206
Sewer System	186	-			-
Public Buildings and Grounds	7,934	3,934	496		3,438
Shade Tree	202	-			-
Board of Health	6,440	6,440	1,995		4,445
Senior Citizens	2,063	2,063			2,063
Parks and Playgrounds	-	111			111
Uniform Construction Code Officials		105			105
Celebration of Public Events	2,561	3,561	3,506		55

**BOROUGH OF DUMONT**  
**STATEMENT OF 2012 APPROPRIATION RESERVES**

	Balance December 31, 2012	Budget After Transfer or Modification	Paid or Charged	Transferred to Appropriated Grant Reserve	Balance Lapsed
Other Expenses (Continued)					
Utilities					
Electricity	\$ 23,603	\$ 15,804	\$ 1,059		\$ 14,745
Street Lighting	22,851	22,851	15,480		7,371
Telephone	4,395	12,895	12,756		139
Gasoline	26,958	11,958	3,047		8,911
Water	3,871	3,871	936		2,935
Social Security	7,826	7,826	151		7,675
Municipal Court	395	789			789
General Liability	5,713	5,713			5,713
Employee Group Health	76,763	76,763	42,110		34,653
Health Benefit Waiver	21	21			21
LOSAP	17,600	17,600			17,600
Clean Communities Grant	22,756	22,756	2,025	\$ 20,731	-
Recycling Tonnage Grant	15,465	15,465		15,465	-
Police Body Armor	3,397	3,397	-	3,397	-
	<u>427,369</u>	<u>435,055</u>	<u>153,346</u>	<u>39,593</u>	<u>242,116</u>
	<u>\$ 501,402</u>	<u>\$ 549,101</u>	<u>\$ 243,002</u>	<u>\$ 39,593</u>	<u>\$ 266,506</u>
2012 Appropriation Reserves		\$ 501,402			
Encumbrances Payable Restored to Appropriation Reserves		<u>47,699</u>			
		<u>\$ 549,101</u>			

**BOROUGH OF DUMONT  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2012		\$ 733,497
Increased by:		
Transfer from 2013 Budget Appropriations		<u>451,705</u>
		1,185,202
Decreased by:		
Encumbrances Payables Restored to Appropriation Reserves	\$ 47,699	
Transferred to Accounts Payable	22,934	
Cash Disbursements	<u>662,864</u>	
		<u>733,497</u>
Balance, December 31, 2013		<u>\$ 451,705</u>

EXHIBIT A-17

**STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2012		\$ 4,152
Increased by:		
Transferred from Encumbrances Payable		<u>22,934</u>
		27,086
Decreased by:		
Cash Disbursements		<u>722</u>
Balance, December 31, 2013		<u>\$ 26,364</u>

**BOROUGH OF DUMONT**  
**STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance, December 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2013</u>
Reassessment of Real Property	12/28/2012	12/18/2013	\$ 200,000		\$ 200,000	
	12/17/2013	12/16/2014	-	\$ 150,000	-	\$ 150,000
			<u>\$ 200,000</u>	<u>\$ 150,000</u>	<u>\$ 200,000</u>	<u>\$ 150,000</u>
			Renewals	\$ 150,000	\$ 150,000	
			Note Retired	-	50,000	
				<u>\$ 150,000</u>	<u>\$ 200,000</u>	

EXHIBIT A-19

**STATEMENT OF MISCELLANEOUS RESERVES**

	<u>Balance, December 31, 2012</u>	<u>Increased</u>	<u>Disbursed</u>	<u>Balance, December 31, 2013</u>
Tax Sale Premium	\$ 174,200	\$ 350,400	\$ 402,300	\$ 122,300
Redemption of Tax Sale Certificates	15,232	492,937	508,169	-
Tax Appeals	93,266	50,000	4,515	138,751
Master Plan	6,955			6,955
DCA Fees	2,500	10,162	10,378	2,284
Marriage Licenses	550	1,550	1,575	525
Homestead Rebate	393	-	-	393
	<u>\$ 293,096</u>	<u>\$ 905,049</u>	<u>\$ 926,937</u>	<u>\$ 271,208</u>
Cash Receipts		\$ 855,049		
Budget Appropriations		50,000		
		<u>\$ 905,049</u>		

EXHIBIT A-20

**STATEMENT OF OTHER LIABILITIES**

Balance, December 31, 2012	\$ 34,511
Decreased by:	
Realization of Revenue - Non-Budget Revenue	34,511
Balance, December 31, 2013	<u>\$ -</u>

**BOROUGH OF DUMONT  
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2012	\$ 174,881
Increased by:	
Collection of 2014 Taxes	<u>145,813</u>
	320,694
Decreased by:	
Application to 2013 Taxes	<u>174,881</u>
Balance, December 31, 2013	<u>\$ 145,813</u>

EXHIBIT A-22

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2012	\$ 250
Increased by:	
Cash Receipts	<u>19,767</u>
	20,017
Decreased by:	
Refunded in 2012	<u>12,446</u>
Balance, December 31, 2013	<u>\$ 7,571</u>

EXHIBIT A-23

**STATEMENT OF LOCAL SCHOOL DISTRICT TAX PAYABLE**

Increased by:	
Levy - Calendar Year	\$ 33,738,464
Decreased by:	
Payments	<u>33,738,464</u>
Balance, December 31, 2013	<u>\$ -</u>

**BOROUGH OF DUMONT  
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2012		\$ 442
Increased by:		
2013 Levy	\$ 4,358,793	
2013 County Open Space	48,031	
Added Taxes	<u>1,212</u>	
		<u>4,408,036</u>
		4,408,478
Decreased by:		
Payments		<u>4,407,266</u>
Balance, December 31, 2013		<u>\$ 1,212</u>

EXHIBIT A-25

**SCHEDULE OF APPROPRIATED GRANT RESERVES**

	Balance, December 31, <u>2012</u>	Transfer from Appropriation <u>Reserves</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, December 31, <u>2013</u>
Clean Communities Grant	\$ 21,633	\$ 20,731	\$ 14,289		\$ 28,075
Domestic Violence	5,315				5,315
Alcohol Education and Rehabilitation Fund	1,859				1,859
State Recycling Grant	37,574	15,465	7,806		45,233
Stormwater Drainage	12,172		1,577		10,595
Body Armor Grant	563	3,397			3,960
OEM Training	18				18
FEMA	1,793		1,793		-
CDBG - Veteran's Plaza	52,927			\$ 52,927	-
Green Communities	3,000				3,000
Bergen County Flu Vaccine	<u>25</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>11</u>
	<u>\$ 136,879</u>	<u>\$ 39,593</u>	<u>\$ 25,479</u>	<u>\$ 52,927</u>	<u>\$ 98,066</u>



**BOROUGH OF DUMONT**  
**STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS**

	Balance, December 31, <u>2012</u>	Increased by <u>Receipts</u>	Realized as Budget <u>Revenue</u>	Balance, December 31, <u>2013</u>
Clean Community	\$ 23,673	\$ 27,794	\$ 23,673	\$ 27,794
Recycling Tonnage	22,389	22,253	22,389	22,253
Police Body Armor Fund	5,581	4,267	5,581	4,267
Alcohol Education	270	475	270	475
Green Community	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
	<u>\$ 53,413</u>	<u>\$ 54,789</u>	<u>\$ 53,413</u>	<u>\$ 54,789</u>

EXHIBIT A-27

**STATEMENT OF DUE FROM FREE PUBLIC LIBRARY**

Increased by:	
Cash Disbursements	\$ 402,143
Decreased by:	
Cash Receipts	<u>383,669</u>
Balance, December 31, 2013	<u>\$ 18,474</u>

**{THIS PAGE INTENTIONALLY LEFT BLANK}**

## **TRUST FUNDS**



**BOROUGH OF DUMONT  
STATEMENT OF TRUST CASH**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Unemployment Insurance Trust Fund</u>
Balance, December 31, 2012	\$ 13,301	\$ 559,653	\$ 51,839
Increased by Receipts:			
Escrow Deposits	\$ 56,901		
Interest on Investments and Deposits		\$ 43	
Miscellaneous Reserves		581,019	
License Fees Collected	6,875		
Receipts from Current Fund			22,000
Receipts from Payroll Service Provider			9,809
Due to State of New Jersey	1,064		
Payroll and Payroll Deductions	-	10,440,396	-
	<u>7,939</u>	<u>11,078,316</u>	<u>31,852</u>
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	11,253		
Payment to Current Fund	3,488		
Escrow Deposits		22	
Payments to State of NJ		59,641	
Payroll and Payroll Deductions Payable	1,064		24,974
Miscellaneous Reserves	-	10,437,106	
	<u>15,805</u>	<u>499,025</u>	<u>-</u>
		<u>10,995,794</u>	<u>24,974</u>
Balance, December 31, 2013	\$ 5,435	\$ 642,175	\$ 58,717

**BOROUGH OF DUMONT  
STATEMENT OF DUE TO CURRENT FUND - OTHER TRUST FUND**

Balance, December 31, 2012	\$ 22
Decreased by:	
Payments to Current Fund	<u>22</u>
Balance, December 31, 2013	<u>\$ -</u>

## EXHIBIT B-3

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance, December 31, 2012	\$ 9,667
Increased by:	
Animal Control Fees	<u>6,875</u>
	16,542
Decreased by:	
Cash Disbursements	<u>11,253</u>
Balance, December 31, 2013	<u>\$ 5,289</u>

## EXHIBIT B-4

**STATEMENT OF DUE TO STATE OF NEW JERSEY  
DOG REGULATION FEES**

Balance, December 31, 2012	\$ 146
Increased by:	
Registration Fees - Due State of New Jersey	<u>1,064</u>
	1,210
Decreased by:	
Payments	<u>1,064</u>
Balance, December 31, 2013	<u>\$ 146</u>

**BOROUGH OF DUMONT**  
**STATEMENT OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND**

Balance, December 31, 2012	\$ 3,488
Decreased by:	
Payments to Current Fund	<u>3,488</u>
Balance, December 31, 2013	<u>\$ -</u>

## EXHIBIT B-6

**STATEMENT OF ESCROW DEPOSITS**

Balance, December 31, 2012	\$ 48,993
Increased by:	
Cash Receipts	<u>56,901</u>
	105,894
Decreased by:	
Cash Disbursements	<u>59,641</u>
Balance, December 31, 2013	<u>\$ 46,253</u>

## EXHIBIT B-7

**STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE EXPENDITURES**

Balance, December 31, 2012	\$ 49,906
Increased by:	
Payroll Deductions	\$ 9,794
Interest on Investments and Deposits	43
Current Fund Budget Appropriation	<u>22,000</u>
	<u>31,837</u>
	81,743
Decreased by:	
Unemployment Insurance Claims	<u>24,395</u>
Balance, December 31, 2013	<u>\$ 57,348</u>

**BOROUGH OF DUMONT  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2013</u>
Fire Prevention Fees	\$ 27,798	\$ 15,486	\$ 27,991	\$ 15,293
Recreation Commission	188,372	260,481	291,960	156,893
Tax Sale Premiums	200			200
Street Openings	6,718	1,000	500	7,218
Maintenance Bond	11,155			11,155
POAA	5,517	975		6,492
Drug and Alcohol	26,666	8,800	9,984	25,482
Police Outside Services	80,158	206,788	167,596	119,350
Police Donations	426			426
Shade Tree	6,813	2,489	994	8,308
Snow Emergency	68,476	85,000	-	153,476
	<u>\$ 422,299</u>	<u>\$ 581,019</u>	<u>\$ 499,025</u>	<u>\$ 504,293</u>

EXHIBIT B-9

**STATEMENT OF ACCRUED SALARIES/WAGES AND PAYROLL DEDUCTIONS PAYABLE**

Balance, December 31, 2012	\$ 88,339
Increased by:	
Cash Receipts	<u>10,440,396</u>
	10,528,735
Decreased by:	
Cash Disbursements	<u>10,437,106</u>
Balance, December 31, 2013	<u>\$ 91,629</u>

EXHIBIT B-10

**STATEMENT OF DUE TO STATE OF NEW JERSEY UNEMPLOYMENT INSURANCE FUND**

Balance, December 31, 2012	\$ 2,609
Increased by:	
Unemployment Claims Due to State of New Jersey	<u>24,395</u>
	27,004
Decreased by:	
Unemployment Claims Paid by:	
Unemployment Insurance Account	<u>24,974</u>
Balance, December 31, 2013	<u>\$ 2,030</u>



**BOROUGH OF DUMONT  
STATEMENT OF DUE FROM PAYROLL SERVICE PROVIDER**

Balance, December 31, 2012	\$ 676
Increased by:	
Payroll Deductions Transferred to Payroll Service Provider	<u>9,794</u>
	10,470
Decreased by:	
Cash Receipts from Payroll Service Provider	<u>9,809</u>
Balance, December 31, 2013	<u>\$ 661</u>

**{THIS PAGE INTENTIONALLY LEFT BLANK}**

**GENERAL CAPITAL FUND**



**BOROUGH OF DUMONT**  
**STATEMENT OF GENERAL CAPITAL CASH - COLLECTOR-TREASURER**

Balance, December 31, 2012		\$ 772,748
Increased by Receipts:		
Bond Anticipation Notes Issued	\$ 724,605	
Premium on Bond Anticipation Notes	19,469	
Grant Receipts	284,923	
Loan Proceeds	2,416,538	
Receipts from Current Fund	<u>171,388</u>	
		<u>3,616,923</u>
		4,389,671
Decreased by:		
Improvement Authorizations	1,051,605	
Contracts Payable	2,069,807	
Payment of Bond Anticipation Notes	69,605	
Payments for Preliminary Costs	25,000	
Payments to Current Fund	<u>75,051</u>	
		<u>3,291,068</u>
Balance, December 31, 2013		<u><u>\$ 1,098,603</u></u>

**BOROUGH OF DUMONT  
ANALYSIS OF GENERAL CAPITAL CASH  
AS OF DECEMBER 31, 2013**

Fund Balance	\$ 64,675
Contracts Payable	431,238
Grants Receivable	(293,175)
Loan Receivable	(62,515)
Deferred Charges to Future Taxation - Cancelled Receivables	(23,903)
Due From Current Fund	(28)
Reserve for Payment of Notes - Excess Proceeds	180,261
Reserve for Payment of Bonds	87,310
Capital Improvement Fund	45,663

Improvement Authorizations:

<u>Ord. No.</u>	<u>Improvement Description</u>	
1250	Impvts of Various Parks and Acq. Of Equipment	(4,908)
1275	Unfunded Pension Liability	(500)
1292/1315	Repaving of Roads	6,748
1299/1320	Various Public Improvements	4,300
1311/1354/1365	Various Park Improvements	4,398
1321	Acquisition of Street Sweeper	13,690
1344/1375/1407	Various Storm Sewer Improvements	(301,995)
1353	Acquisition of a Fire Truck	11,393
1363	Resurfacing of Howard Street	28,938
1380	Park Improvements	259,004
1393	Various General Improvements	191,425
1400	Reconstruction of Short Street	64,262
1401	Reconstruction of Bussell Court	133,463
1409	Library and Sr. Ctr. Handicap Access	1,187
1416	Impvts. To Veteran's Memorial Park and Other Parks and Fields	95,394
1421	Various Capital Improvements	11,019
1431	DPW Garage Site Improvements	34,898
1432	Phase III Storm Sewer Improvements	4,680
1434	Various Capital Improvements	245,984
1436	Roosevelt Ave Flood Project	95,936
1438	Twin Boro Field Remediation	15,894
1448	Improvements to DePew Street	303
1450	Acq. And Installation of Air Quality Equipment	8,177
1456	Improvements to DePew Street Phase II	(72,122)
1460	Various Capital Improvements	(456,926)
1464	Various Park Improvements	33,219
1465	Library Window and Exterior Restoration	7,500
1466	Stormwater System Improvements Phase II	(82,576)
1467	Road Resurfacing & Repairs to Curbs/Sidewalks	316,292
		<u>\$ 1,098,603</u>

**BOROUGH OF DUMONT**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2012		\$ 17,938,124
Decreased by:		
Budget Appropriations		
Serial Bonds	\$ 663,000	
Green Trust Loans	9,181	
NJEIT Loan Payable	342,383	
Pension Obligation Loan	<u>48,000</u>	
		<u>1,062,564</u>
Balance, December 31, 2013		<u>\$ 16,875,560</u>

**BOROUGH OF DUMONT**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Balance, December 31, 2012	2013 Authorizations	Grant Receipts	2013 Budget Appropriation	Cancelled By Resolution	Balance, December 31, 2013	Bond Anticipation Notes	Analysis of Balance	
									Expenditures	Unexpended Improvement Authorizations
		\$			\$		\$		\$	\$
1250	Impvts of Various Parks and Acq. Of Equip.	4,908					4,908		4,908	
1275	Refund Unfunded Pension Liab	17,000					17,000		500	16,500
1323	Reconstruction of Pensing	116,105				90,110				
1375	Sewer System Improvements	385,000			25,995		385,000	368,005		
1393	Various General Improvements	731,100			35,715		695,385	695,385	16,995	
1407	Acq. of Easements and Prop Relating to Storm Water	285,000					285,000		285,000	
1409	Library and Senior Center Handicap Access	73,291					73,291	73,291		
1416	Impvts to Veteran's Memorial Park and Parks and Other Fields	174,800					174,800	174,800		
1421	Various Capital Improvements	807,500					807,500	807,500		
1431	DPW Garage Site Improvements	228,000					228,000	228,000		
1432	Phase III Storm Sewer System Improvements	218,500					218,500	218,500		
1434	Various Capital Improvements	414,284					414,284	414,284		
1436	Roosevelt Ave Flood Project	114,000					114,000	114,000		
1438	Twin Boro Field Remediation	1,140,000					1,140,000	1,139,525		475
1447	Installation of New Walking Path	152,000					152,000	152,000		
1448	Improvements to DePew Street	142,850		\$	90,151		52,699	52,699		
1450	Acq. And Installation of Air Quality Equip.	61,750					61,750	61,750		
1456	Improvements to DePew Street Phase II		\$	155,000			77,789		72,122	667
1460	Various Capital Improvements		537,690				537,690		456,926	80,764
1465	Library Window and Exterior Restoration		176,000				176,000			176,000
1466	Stormwater System Improvements Phase II		195,000				195,000		82,576	112,424
		\$	5,065,088	\$	1,063,690	\$	172,362	\$	4,999,739	\$
					61,710	\$	90,110	\$	919,027	\$
							5,805,596	\$	386,830	

## Bond Anticipation Notes

Less: Excess Note Proceeds

Ord. No. 1323

Ord. No. 1448

\$ 4,680,000

\$ 90,110

\$ 90,151

\$ 4,499,739

## Improvement Authorizations - Unfunded

Less: Unexpended Proceeds on Bond Anticipation Notes Issued

Ord. No. 1393

Ord. No. 1409

Ord. No. 1416

Ord. No. 1421

Ord. No. 1431

Ord. No. 1432

Ord. No. 1434

Ord. No. 1436

Ord. No. 1438

Ord. No. 1448

Ord. No. 1450

\$ 191,425

1,187

95,394

11,019

34,898

4,680

245,984

95,936

15,894

303

8,177

704,897

\$ 386,830



**BOROUGH OF DUMONT  
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2012</u>	Grant Awards and Adjustments	Cash Receipts	Balance, December 31, <u>2013</u>
<b>Community Development</b>				
Ord No. 1354 Improvements to Memorial Park & C. Deangeles Park	\$ 123,762			\$ 123,762
<b>Bergen County Open Space</b>				
Ord. No. 1380 Improvements to Veterans Memorial Park	12,263			12,263
Ord. No. 1416 Improvements to Veterans Memorial Park and Other Fields	157,150			157,150
Ord. No. 1447 Installation of New Walking Path	65,000			65,000
Ord. No. 1464 Various Park Improvements		\$ 112,561	\$ 112,561	-
<b>Department of Transportation</b>				
Ord. No. 1448 Improvements to Depew Street	142,850		82,211	60,639
Ord. No. 1456 Improvements to DePew Street, Phase II		150,000	90,151	59,849
<b>Historic Preservation Trust Fund</b>				
Ord. No. 1465 Library Window and Exterior Restoration	-	87,400	-	87,400
	<u>\$ 501,025</u>	<u>\$ 349,961</u>	<u>\$ 284,923</u>	<u>\$ 566,063</u>
		Reserve for Receivable		\$ 272,888
		Pledged to Ordinance		<u>293,175</u>
				<u>\$ 566,063</u>

EXHIBIT C-7

**STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN RECEIVABLE**

Balance, December 31, 2012	\$ 2,479,053
Decreased by:	
Cash Receipts	<u>2,416,538</u>
Balance, December 31, 2013	<u>\$ 62,515</u>

**BOROUGH OF DUMONT  
STATEMENT OF DUE FROM/TO CURRENT FUND**

Balance, December 31, 2012 (Due To)		\$ 23
Increased by:		
Anticipated as Revenue in Current Fund		
General Capital Surplus	\$ 25,000	
Reserve for Payment of Debt	50,000	
Receipts from Current Fund	<u>171,388</u>	
		<u>246,388</u>
		246,411
Decreased by:		
Budget Appropriation - Current Fund		
Note Principal	61,710	
Deferred Charges - Cancelled Receivables	54,678	
Capital Improvement Fund	55,000	
Payments to Current Fund	<u>75,051</u>	
		<u>246,439</u>
Balance, December 31, 2013 (Due From)		<u>\$ 28</u>

EXHIBIT C-9

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION -  
CANCELLED RECEIVABLES**

Balance, December 31, 2012	\$ 78,581
Decreased by:	
2013 Budget Appropriation	<u>54,678</u>
Balance, December 31, 2013	<u>\$ 23,903</u>

EXHIBIT C-10

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

Balance, December 31, 2012	\$ 137,310
Decreased by:	
Payments to Current Fund	<u>50,000</u>
Balance, December 31, 2013	<u>\$ 87,310</u>